

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 746 - HB 865

March 10, 2013

SUMMARY OF BILL: Requires an assisted-care living facility to enter into a contract with each resident, executed prior to or at the time of admission, between the licensee and the resident or resident's designee or legal representative. Requires contracts to contain language that establishes the right, duties, and obligations of each resident and details regarding advance payments for housings, meals, or personal services. Requires a refund policy be included in such contract, to be implemented at the time of a resident's transfer, discharge, or death. In any assisted-care living facility with 60 or more rooms, a lease will be considered terminated, upon a unit being vacated, when a resident necessitates care to an extent greater than such facility is licensed to provide. Requires any facility which provides special care for persons who have Alzheimer's disease or other related disorders to disclose in any advertisements or in a separate document the services which distinguish such care as being suitable for patients with the specified disease or disorder.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures –

**\$41,100/FY13-14/Board for Licensing Health Care Facilities
\$73,600/FY14-15 and Subsequent Years/
Board for Licensing Health Care Facilities**

Assumptions:

- This bill has an effective date of January 1, 2014.
- According to the Department of Health, one additional administrative services assistant 4 position will be required to review facility contract templates and revisions, refund policies and procedures, banking deposit account information and statements, claims against resident estates, bed reservation agreements, and special care agreements and advertisements; conduct telephonic and onsite complaint investigations involving resident/family complaints and prepare and enforce documentation including penalty information and reports for the Board of Licensing Health Care Facilities regarding facility non-compliance.
- This position will result in a one-time increase in state expenditure of \$4,300 in FY13-14 (computer/software/etc.: \$1,600 + office landscaping: \$2,700).

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- This position will result in a recurring increase of expenditures of \$73,612 (salary: \$44,000 + benefits: \$6,613 + insurance: \$5,999 + administrative cost allocation: \$7,900 + lease: \$4,100 + phone/LAN/WAN: \$1,400 + travel: \$3,000 + supplies: \$600).
- The position will not be filled until January 1, 2014, resulting in one-half of the annual recurring expenditures in FY13-14.
- The total increase in expenditures in FY13-14 will be \$41,106 [(\$73,612 recurring x .50) + \$4,300 one-time]. Beginning in FY14-15, annual expenditures are estimated to be \$70,012.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. The Board for Licensing Health Care Facilities had closing balances of \$594,769 in FY10-11, and \$450,785 in FY11-12. Any excess revenue over expenditures experience by the Board will revert to the general fund at fiscal year-end.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/jdb